Committee on taxation of NRIs

928. SHRI R.P. GOENKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently a committee has been set up to study and analyse the issues relating to taxation of non-residents; and

(b) if so, the details, including the precise terms of reference, the composition of the committee and the time-frame fixed, if any, to submit the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V THOBA ADSUL): (a) Yes, Sir. An Emerging Issues Task Force (EITF) on taxation of non-residents has been constituted as a continuing advisory body with representatives from the tax department industry and tax experts, all having extensive experience and exposure in dealing with cross border tax issues.

(b) (A). The Terms of Reference of EITF are as under:

(1) To study and analyse current issues relating to taxation of non-residents in following areas:

(i) E-commerce characterisation.

(ii) Economic evaluation of presumptive tax/withholding tax rates.

(iii) Issues relating to Transfer Pricing.

(iv) Withholding tax application when the payer and the payee both are non-residents.

(v) Taxation of partnerships and consortiums of non-residents.

(vi) Pass Through Certificates (PTCs)

(2) To study and analyse any other issue relating to non-resident taxation as may be identified by the Chairman of EITF or suggested by the Members of the EITF or by others.

(3) To make recommendations on the tax treatment of such issues to the Central Board of Direct Taxes.

(B) EITF comprises the following:

1. Shri Vijay Mathur, Director General (International Taxation)-Chairman
2. Shri G.C. Srivastava, Joint Secretary, C.B.D.T.-Member
3. Shri A.J. Majumdar, Joint Secretary, C.B.D.T.-Member
4. Mr. P. Mahalingam, CFO, M/s. Tata Consultancy Services-Member
5. Mr. P.V. Srinivasan, Tax Head, WIPRO Ltd.-Member
6. Mr. T.P. Ostwal, CA, Mumbai-Member
7. Shri Arvind Sonde, Advocate, Mumbai-Member
8. Shri Davendra Shanker, Director, C.B.D.T.-Member Secretary

(C) EITF has been set up as a continuing body. EITF is to form its views on issues referred to it within a period of 3 months and submit the same to the Central Board of Direct Taxes.

Violation of norms by foreign channels

929. SHRI RAJU PARMAR: Will the Minister of FINANCE be pleased to state:

(a) the names of the foreign channels operating in Indian with the source of funding declared by each of them;

(b) How many foreign channels have violated Government norms; and

(c) The amount of Foreign Direct Investment (FDI) involved in each of these foreign channels and the details of Income Tax paid by these channels in the last financial year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The information is being collected and will be laid on the Table of the House.

IRDA's rural area obligations

930. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether all the private insurance companies have met IRDA's rural area obligations for the year 2001-2002 and 2002-2003;